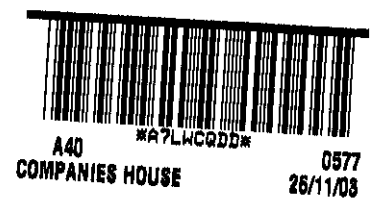


Palm Springs (UK) Limited

Report and Accounts

31 January 2003

ERNST & YOUNG



Palm Springs (UK) Limited

Registered No: 1879819

Directors

H W Bilton
A J Norton

Secretary

H W Bilton

Auditors

Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

Registered Office

c/o American Golf Discount Centre Limited
Europa Boulevard
Gemini Business Park
Westbrook
Warrington
WA5 5YW

Directors' Report

The directors submit their report and accounts for the year ended 31 January 2003.

Results and review of the business

The company was dormant under the terms of Section 221 of the Companies Act 1985 during the period.

Directors and their interest

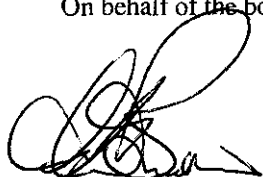
The directors of the company during the year and their interest in the shares of the company was as follows:

	2003 No.	2002 No.
H W Bilton (held jointly with Par Bilt (UK) Limited)	1	1
A J Norton	-	-

Auditors

A resolution to reappoint Ernst & Young LLP will be put to the members at the Annual General Meeting.

On behalf of the board on



24 NOV 2003

Director

Statement of directors' responsibilities in respect of the accounts

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ERNST & YOUNG
Independent auditors' report
to the members of Palm Springs (UK) Limited

We have audited the company's financial statements for the year ended 31 January 2003 which comprise Balance Sheet and the related notes 1 to 3. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

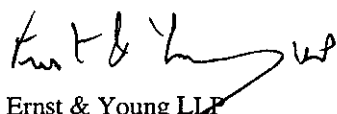
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 January 2003 and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
Manchester

24/11/03

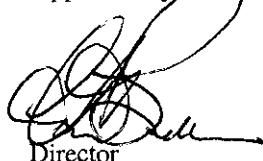
Balance Sheet

at 31 January 2003

	Notes	2003 £	2002 £
Current assets			
Cash in hand		100	100
		<u> </u>	<u> </u>
Capital and reserves			
Share capital	2	100	100
		<u> </u>	<u> </u>

Approved by the Board on

24.11.03



Director

Notes to the accounts

at 31 January 2003

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention.

2. Share capital

	<i>Authorised</i>		<i>Allotted, and called up</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	1,000	1,000	100	100

3. Parent undertaking and controlling party

The ultimate parent undertaking and controlling party is American Golf Discount Centre Limited, a company registered in England and Wales.